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October 20, 2015

VIA EMAIL (fhampton@fec.gov; fjordan@fec.gov)

Federal Election Commission
Office of Complaints Examination
and Legal Administration
Attn: Frankie Hampton, Paralegal
999 E Street, NW
Washington, DC 20436

MUR 6960

Dear Mr. Jordan:

We are responding on behalf of SW Technologies, LLC, to your letter dated September 1, 2015, providing notice of a complaint against SW Technologies, alleging violations of the Federal Election Campaign Act of 1971 (the "Act") and related Federal Election Commission ("FEC") regulations. We represent SW Technologies in this matter.

On October 14, 2015, I spoke with Frankie Hampton and explained that SW Technologies did not receive notice of the complaint until October 1, 2015, by an email communication from the FEC to SW Technologies, that was followed by a paper copy received by the company the week of October 5, 2015. We then were retained and filed a statement of designation of counsel on October 7, 2015. I discussed with Ms. Hampton last week timing of matters and agreed to provide a response to the complaint by today.

In the complaint, the National Republican Congressional Committee (the "NRCC") alleges that SW Technologies violated the "sales and use" prohibitions of 52 U.S.C. § 30111(a)(4) and 11 CFR § 104.15 through use of a contributor list that included the name of an NRCC "salt" – a fictitious individual who the NRCC indicates that it included on its reports to the FEC.

SW Technologies does not copy contributor information from FEC reports and sell it for use in campaign fundraising or for other commercial purposes. This has never been part of its business model or practice. The leadership of SW Technologies has worked in government and politics for 30 years. It understands FEC regulation. Accordingly, it takes care to ensure that its business practices comply with federal law.

SW Technologies compiles and develops political data in a number of ways. It purchases from and trades with several sources: campaigns, non-governmental organizations, and other business entities in

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the political information industry. It also develops political data independently using its own proprietary national voter file in combination with demographic research modeling.

More recently, the company added some FEC data to its proprietary model for use in identifying likely Republican contributors. The model uses statistical research to find individuals with certain similarities and characteristics to established contributors. The purpose of the model is to find possible new contributors, rather than those already on pre-existing voter lists. The FEC data is specifically segregated and not intended to be used on fundraising lists that are later marketed for solicitation or any other commercial purpose. The intent and design was for the FEC data to only be used to help create the research model, not for any contributor data on it to be distributed or sold to others for solicitation purposes.

SW Technologies outsources much of its data work, including using a third-party vendor to maintain contributor databases. The release to TMA Direct of the contributor information referenced in the NRCC complaint was purely unintentional and a mistake. When SW Technologies directed that its database management vendor export a Republican contributor file -- what became the "Republican Elite Donors" list -- to TMA Direct, it inadvertently included FEC data in the transfer. This was contrary to SW Technologies' long-standing instructions to the vendor regarding how the segregated FEC data should be handled. SW Technologies has confirmed that this is the only instance where a mistake like this has occurred.

Upon learning of the mistake, SW Technologies pulled from the market the contributor file that includes the FEC data. SW Technologies has fully examined all of its other lists on the market for FEC data using the "salt" names referenced in the NRCC complaint, and it has found no other instances of a breach involving FEC data. Further, SW Technologies is in the process of pulling all FEC data from its proprietary models and is taking steps to ensure that it will not use FEC data for fundraising purposes going forward.

The subject of the NRCC complaint is the result of inadvertent error. SW Technologies has identified the source of the problem as to an improper upload of data by a SW Technologies vendor. Moreover, the company has acted quickly to correct the problem and eliminated a recently added element of its data development going forward to ensure that future problems like this will not occur.

Please let us know if you have further questions or need any additional information. I can be reached directly on my mobile at [redacted]. Otherwise, the company respectfully requests that no action be taken and the matter be closed.

Sincerely,

GODFREY & KAHN, S.C.


Mike B. Whittemyer
Nate Zolik